

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Unaudited Current Year 31.12.2017 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2016 RM'000	Changes Increase/ (decrease) RM'000	Unaudited Current Year To Date 31.12.2017 RM'000	Unaudited Preceding Year 31.12.2016 RM'000	Changes Increase/ (decrease) RM'000
Revenue	9,459	13,099	(3,640)	26,980	31,254	(4,274)
Cost of sales	(8,311)	(12,403)	4,092	(24,241)	(29,087)	4,846
Gross profit	1,148	696	452	2,739	2,167	572
Operating expenses	(2,343)	(757)	(1,586)	(6,793)	(2,948)	(3,845)
Other operating income	461	388	73	997	1,126	(129)
(Loss)/profit from operations	(734)	327	(1,061)	(3,057)	345	(3,402)
Finance cost	(19)	(17)	(2)	(46)	(112)	66
(Loss)/profit before tax	(753)	310	(1,063)	(3,103)	233	(3,336)
Taxation	-	-	-	-	-	-
(Loss)/profit from continued operations	(753)	310	(1,063)	(3,103)	233	(3,336)
Profit from discontinued operations, net of tax	-	-	-	-	-	-
Net (loss)/profit for the period	(753)	310	(1,063)	(3,103)	233	(3,336)
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive (loss)/profit for the period	(753)	310	(1,063)	(3,103)	233	(3,336)
Weighted average number of shares ('000s)	587,770	587,770		587,770	587,770	
(Loss)/profit per share (sen)						
- Basic	(0.13)	0.05		(0.53)	0.04	
- Diluted #	N/A	N/A		N/A	N/A	

Note :

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

The fully dilutive loss per share of the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price of the warrants is higher than the fair value of the Company's shares.

DPS RESOURCES BERHAD
(Company No. 630878-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017
(The figures have not been audited)

	Unaudited As at End Of Current Quarter 31.12.2017 RM'000	Audited As at Preceding Financial Year End 31.03.2017 RM'000
Non-current assets		
Property, plant and equipment	88,909	92,389
Prepaid land lease payments	11,566	11,676
	<u>100,475</u>	<u>104,065</u>
Current assets		
Property development expenditure	9,809	1,843
Inventories	5,548	5,758
Trade and other receivables	2,859	11,643
Cash and bank balances	3,925	1,009
	<u>22,141</u>	<u>20,253</u>
Total Assets	<u>122,616</u>	<u>124,318</u>
EQUITY		
Share capital	58,962	58,962
Revaluation reserve	6,133	6,133
Warrant reserve	10,121	10,121
Discount on share	(10,121)	(10,121)
Retained earnings	47,281	50,385
Total equity	<u>112,376</u>	<u>115,480</u>
LIABILITIES		
Non-current liabilities		
Borrowings	4,381	22
Deferred tax liability	1,498	1,498
	<u>5,879</u>	<u>1,520</u>
Current liabilities		
Trade and other payables	3,795	7,228
Borrowings	491	16
Provision for taxation	75	74
	<u>4,361</u>	<u>7,318</u>
Total Liabilities	<u>10,240</u>	<u>8,838</u>
Total Equity And Liabilities	<u>122,616</u>	<u>124,318</u>
Number of ordinary shares of RM0.10 per share ('000)	587,770	587,770
Net Tangible Assets per share attributable to Owner of the Company (RM)	<u>0.19</u>	<u>0.20</u>

Note :

The unaudited Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

Net assets per share is derived based on DPS Resources Berhad consolidated net assets of RM112,376,000 (FYE 31.03.2017: RM115,480,000) over the issued number of ordinary shares of 587,769,580 (FYE 31.03.2016: 587,769,580) of RM0.10 each.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017
(The figures have not been audited)

	← Non-Distributable →					Distributable	
	Share Capital RM'000	Warrant Reserve RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Discount on share RM'000	Retained Earnings RM'000	Total RM'000
Balance as at 1 April 2016	58,777	10,121	185	6,133	(10,121)	50,351	115,446
Transfer pursuant to Section 618(2) of the Companies Act 2016	185	-	(185)	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	33	33
Balance as at 31 March 2017	58,962	10,121	-	6,133	(10,121)	50,384	115,479
Total comprehensive loss for the year	-	-	-	-	-	(3,103)	(3,103)
Balance as at 31 December 2017	58,962	10,121	-	6,133	(10,121)	47,281	112,376

Note :

The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017
(The figures have not been audited)

	Current Year To Date 31.12.2017 RM'000	Cumulative Preceding Year End 31.12.2016 RM'000
Net cash (outflow)/inflow from operating activities	(5,176)	1,903
Net cash inflow/(outflow) from investing activities	3,269	(3,319)
Net cash inflow from financing activities	4,822	2,648
Net increase in cash and cash equivalents	<u>2,915</u>	<u>1,232</u>
Cash and bank balances as at 1 April	1,010	(464)
	<u>3,925</u>	<u>768</u>
Effect of exchange translation differences on cash and cash equivalents	-	-
Cash and cash equivalents as at 31 December	<u><u>3,925</u></u>	<u><u>768</u></u>
<u>Reconciliation :</u>		
Cash and bank balances	3,925	768
Bank overdrafts	-	-
Cash and cash equivalents as at 31 December	<u><u>3,925</u></u>	<u><u>768</u></u>

The unaudited Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

A1. Changes in accounting policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Financial Reporting Standards ("FRSs") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2017.

The financial statements of the Group and the Company have been prepared with the re-adoption of Financial Reporting Standards ("FRSs") as further explained below and in accordance with the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Reversion from Malaysian Financial Reporting Standards ("MFRSs") to FRSs

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the MFRS Framework. The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ('MFRS 141') and IC Interpretation 15 Agreements for Construction of Real Estate ('IC 15'), including its parent, significant investor and venture (herein called 'Transitioning Entities').

On 8 September 2015, the MASB has allowed Transitioning Entities to defer adoption of the new until the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 March 2019. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

Effective for annual periods beginning on or after 1 January 2018

FRS 15	Revenue from Contracts with Customers
FRS 9	Financial Instruments
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to FRS 4	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts
Annual Improvements to FRS Standards 2014–2016 Cycle	
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 128	Investments in Associates and Joint Ventures
Amendments to FRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The Directors anticipate that the abovementioned Annual Improvements, Amendments to Standards and Standards will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Annual Improvements, Amendments to Standards and Standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

A2. Auditors' Report on Preceding Annual Financial Statements

The audit report for the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2017 were not subject to any qualification.

A3. Comments about Seasonality or Cyclicalities

The Group's business operational results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual Items Due to Their Nature, Size or Incidence

During the current quarter under review, there were no unusual items or events that affecting the assets, liabilities, equity, net income or cash flows, to the effect that is unusual nature, size or incidence.

A5. Material Estimates and Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter and financial period-to-date results under review.

A6. Issuance or Repayment of Debt and Equity Securities

There were no issuances, repurchases and repayment of debt securities during the period under the review and up to the date of this report.

A7. Dividend Declared

No dividend has been declared or paid by the Company during the current quarter under review.

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.

A8. Segmental Information

Segment information is provided based on three (3) major business segments, i.e. investment holding, manufacturing and property development.

Business segments in revenue and results of the Group for the current quarter to date for 31 December 2017 are as follows:

3 months ended 31 December 2017

Business Segments	Investment Holding	Furniture	Property Development	Adjustments/ Eliminations	Consolidated Financial Statements
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External Sales	-	6,885	2,574	-	9,459
Inter-segment	180	-	-	(180)	-
Total Revenue	180	6,885	2,574	(180)	9,459
Results :					
Segment results	(452)	(827)	545	-	(734)
Finance cost					(19)
Loss before tax					(753)
Taxation					-
Net loss for the period					(753)

3 months ended 31 December 2016

Business Segments	Investment Holding	Furniture	Property Development	Adjustments/ Eliminations	Consolidated Financial Statements
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External Sales	-	10,872	2,227	-	13,099
Inter-segment	180	-	-	(180)	-
Total Revenue	180	10,872	2,227	(180)	13,099
Results :					
Segment results	(148)	(147)	622	-	327
Finance cost					(17)
Profit before tax					310
Taxation					-
Net profit for the period					310

A9. Subsequent Events

There were no other material events during the current quarter of 31 December 2017 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

A10. Valuations of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial year ended 31 March 2017.

A11. Changes in Composition of the Group

There are no changes in the composition of the Group during the quarter under review.

A12. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 March 2017.

A13. Capital Commitments

There are no capital expenditure commitments contracted and not provided for in the interim financial statements as at 31 December 2017.

PART B: ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B1 Review of Performance for Comparison with Current Quarter to Corresponding Quarter of Last Year

Our Group's revenue was increased as follows:

	Current Year Quarter 31.12.2017 RM'000	Preceding Year Corresponding Quarter after prior period adjustment 31.12.2016 RM'000	Increased/ (Decreased) RM'000
<u>REVENUE</u>			
Furniture	6,885	10,872	(3,987)
Property development	2,574	2,227	347
Investment holdings	-	-	-
Total	<u>9,459</u>	<u>13,099</u>	<u>(3,640)</u>

Revenue for the current quarter is RM3,640 thousand lower compared to preceding year corresponding quarter mainly due to strengthen Ringgit Malaysia and weaker demand in this quarter.

B2 Review of Performance for Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 31.12.2017 RM'000	Immediate Preceding Quarter 30.09.2017 RM'000	Increased/ (Decreased) RM'000
<u>REVENUE</u>			
Furniture	6,885	7,940	(1,055)
Property development	2,574	1,634	940
Investment holdings	-	-	-
Total	<u>9,459</u>	<u>9,574</u>	<u>(115)</u>
Cost of Sales	<u>(8,311)</u>	<u>(8,046)</u>	<u>825</u>
Gross Profit	<u>1,148</u>	<u>1,528</u>	<u>710</u>
<u>PROFIT/ (LOSS) BEFORE TAX ("PBT")</u>			
Furniture	(844)	(1,625)	781
Property development	543	346	197
Investment holdings	(452)	(339)	(113)
Total	<u>(753)</u>	<u>(1,618)</u>	<u>865</u>

For the current quarter, the revenue of the Group is RM9,459m (30.9.17 : RM9.574m), the revenue decrease by 1.2% as compared to the preceding quarter due to decrease in volume of sales of furniture. The Group registered a loss of RM0.753m (30.6.17 : RM1.618m loss).

B3 Commentary on Prospects

The Board is of the view that the future prospects of our furniture products are encouraging and the Group will potentially benefit from the outlook of the global furniture industry which is expected to improve our financial performance.

Meanwhile, the Group will also focus on developing affordable housing projects to drive its growth and the Group's profitability. Barring any unforeseen circumstances, our Board is confident that the Group will continue to be resilient and remain profitable in the financial year ended 31 March 2018.

B4 Profit Forecast or Profit Guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

B5 Notes to Consolidated Statement of Comprehensive Income

	Current Year To Date 31.12.2017 RM'000	Cumulative Preceding Year To Date 31.12.2016 RM'000
Loss for the period is arrived at		
after crediting:		
(Gain) on foreign exchange	(36)	(91)
(Gain) on disposal of property, plant and equipment	(180)	-
and after charging :		
Amortisation and depreciation	3,647	3,482
Loss on foreign exchange	200	-

B6 Taxation

	Current Year Quarter 31.12.2017 RM'000	Preceding Year Corresponding Quarter 31.12.2016 RM'000
Malaysian income tax	-	-
Deferred tax	-	-
Tax for the financial period	-	-

B7 Status of Corporate Proposals

There are no corporate proposals announced but not completed as at the reporting date.

B8 Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2017 were as follows :-

	As at 31.12.2017 Total RM'000	As at 31.03.2017 Total RM'000
Short term borrowings		
Term Loans- secured	491	16
Long term borrowings		
Term Loans- secured	4,381	22
Total borrowings	4,872	38

The Group does not have any foreign borrowings as at the date of this report.

B9 Material Litigation

Save for the following, the Group did not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this report:-

Shantawood Sdn Bhd (“SSB”) (“Plaintiff”) vs Hong Leong MSIG Takaful Berhad (“MSIG”) (“Defendant”)- High Court of Shah Alam Civil No: 22NCVC-1488-12/2012

SSB had on 29 December 2012 filed a suit at the High Court in Shah Alam against MSIG to recover the loss and damages of RM24,219,074.00 (“Fire Claim”) as a result of MSIG repudiating the claims made by SSB under the fire insurance policies taken up by SSB from MSIG for the Fire Incidents. MSIG had on 25 February 2013 filed its Statement of Defence disputing the Fire Claim.

On 26 September 2014, the Court had allowed SSB's claim and had awarded SSB a sum of RM19,496,398.90 (“Judgment Sum”) and the cost of RM50,000.00 together with the interest rate of 5% per annum to be calculated from 14 July 2011 until the full and final settlement of the same (“Judgment”).

MSIG subsequently filed a notice of appeal to the Court of Appeal against the Judgment and made an application for stay of execution of the Judgment with the High Court on 20 October 2014. On 17 November 2014, High Court allowed the stay of execution of the Judgment but ordered the Judgment Sum be deposited into the plaintiff's solicitor account.

Numerous case management had been held pending compiling, finalising, submitting documents for appeal. Finally, the voluminous notes of evidence of more than 30 witnesses has been completed and is pending filing. On 26 November 2015, the matter had come up for hearing before a newly appointed panel and as the submissions were lengthy, the parties were unable to complete submissions and a new date for continued submissions was fixed on 15 January 2016.

On 14 January 2016, the solicitors acting for SSB had received a fax from the Court of Appeal informing them that the case fixed for hearing on 15 January 2016 had to be postponed as one of the judge sitting in the panel judges for the hearing, had been assigned to sit on a special panel for urgent and priority cases fixed for 15 January 2016. On attending court on the 15 January 2016, the Court had given the earliest hearing date available to the court, which is the 11 March 2016.

On the 22 April 2016, the Court of Appeal (“COA”) dismissed the appeal by MSIG on the issues of liability and interest and thereby affirmed the High Court decision on the said issues.

However the COA allowed the appeal by MSIG in part on the issue of quantum; whereby the COA directed that the matter be sent back to the High Court for a reassessment of damages.

Leave Application / Appeal Federal Court

DPS had taken the decision to appeal against the COA's decision, namely on the issue of quantum. On 20 May 2016, an application for leave to appeal to the Federal Court was filed.

On 17 January 2017, the matter had come up for hearing for leave application and the same was dismissed as the matter had been fixed for assessment before the High Court and the Federal Court had not allowed cost to HLA.

As such, the matter will revert to High Court for assessment of damages payable to DPS/Shantawood.

B10 Proposed Dividend

No dividend has been declared or paid during the current quarter under review and financial year-to-date.

B11 Earnings per Share

a) Basic

Basic earnings per ordinary share is calculated by dividing the net profit for the financial period attributable to owner of the company by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	Quarter
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit attributable to ordinary equity holders of the parent (RM'000)	(753)	310	(3,103)	233
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	587,770	587,770	587,770	587,770
Basic (loss)/profit per share (sen)	(0.13)	0.05	(0.53)	0.04

b) Diluted

The fully diluted earnings per ordinary share for the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.

B12 Disclosure of Realised and Unrealised Profits

Breakdown of the Group's realised and unrealised profit or losses as at 31 December 2017 is as follows:

	As at 31.12.2017	As at 31.12.2016
	RM'000	RM'000
Retained earnings		
- Realised profit	75,578	61,497
- Unrealised gain/(loss)	49	(1,673)
	75,627	59,824
Less : Consolidation adjustments	(28,346)	(9,240)
Total Group's retained earnings as per statements of financial position	47,281	50,584

B13 Authority For Issue

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.